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11 August 1953

US OFFICIALS ONLY

Copy No. 04

EO 12958.  
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CURRENT INTELLIGENCE BULLETIN

APPROVED FOR RELEASE  
DATE: FEB 2003

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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## FAR EAST

### 1. Comment on Chinese Communist attention to "collective leadership":

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[REDACTED] A review of Peiping broadcasts since Beria's downfall in early July reveals a greatly increased Chinese Communist awareness of the Soviet emphasis on "collective leadership." This has been reflected in a noticeable decline in Peiping's praise of Mao Tse-tung's personal leadership.

Following Stalin's death, Soviet propaganda gradually developed a trend away from "worship of the individual." Although this line was clear before June, Peiping's eulogies of Mao reached an all-time high in June and early July. It was publicly asserted that China was entering a period of glory identified with Mao's personal rule, the "era of Mao Tse-tung."

As leader of the Chinese Communist Party, Mao has been unchallenged since at least 1938, and his position is believed to be secure. There are grounds for questioning the status, however, of several other members of the party's central committee. Some of these persons may be publicly purged in the alleged interests of party "unity."

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## SOUTHEAST ASIA

### 2. Thai leaders threaten drastic steps if excluded from postarmistice political conference:

[REDACTED] [REDACTED]  
[REDACTED] Thailand could not continue to support the United Nations effort in Korea unless it participated in the postarmistice political conference.

Meanwhile, [REDACTED]

[REDACTED] Thailand had earned membership in the conference. [REDACTED]  
[REDACTED] the Soviet embassy had already approached the government

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regarding the sale of tin to the Communist bloc, and [ ]  
Thailand's support of the UN embargo against Communist China might  
be withdrawn if its hopes for representation were frustrated.

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[ ] while it is un-  
likely that the Thai would carry out any of their veiled threats at this  
time, the importance they attach to this issue cannot be overestimated.

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## SOUTH ASIA

### 3. Comment on the change of government in Indian-held Kashmir:

[ ] Despite official denials that India was in-  
volved, the ousting and reported arrest on 9 August of Prime Minister  
Sheikh Abdullah, Revenue Minister Beg, and about 30 other officials  
in Indian-held Kashmir probably represents an Indian attempt through  
local officials to regain control of a political situation that was rapidly  
getting out of hand. The simultaneous appointment of pro-Indian Prime  
Minister Ghulam Mohammad Bakshi, allegedly Nehru's personal choice  
as Abdullah's successor, supports this view.

Bakshi should be able to control any opposi-  
tion to his new government, provided, as it now appears, he has the  
strong support of India. He will have to produce visible political and  
economic reforms, however, to prevent the further growth of popular  
unrest over conditions within the state.

Pakistan can do little to combat the new move,  
except to publicize it as an Indian maneuver aimed at seizing complete  
control of Kashmir. Karachi is likely to interpret the change as another  
example of Indian perfidy, ending current hopes of settling major Indo-  
Pakistani disputes.

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## NEAR EAST - AFRICA

### 4. Comment on announcement of opening of Iranian-Soviet negotiations:

[ ] The 10 August announcement from Tehran  
and Moscow that a Soviet-Iranian commission will try to settle all

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outstanding differences appears to be aimed at extracting the maximum propaganda benefit from the forthcoming talks. While Soviet approaches to Iran reportedly have been friendly, [REDACTED]

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In spite of press speculation, as far as is known, the proposed agenda does not include Iranian oil. There is likewise no reference to oil in the published data on the economic pact negotiated between the two countries two months ago.

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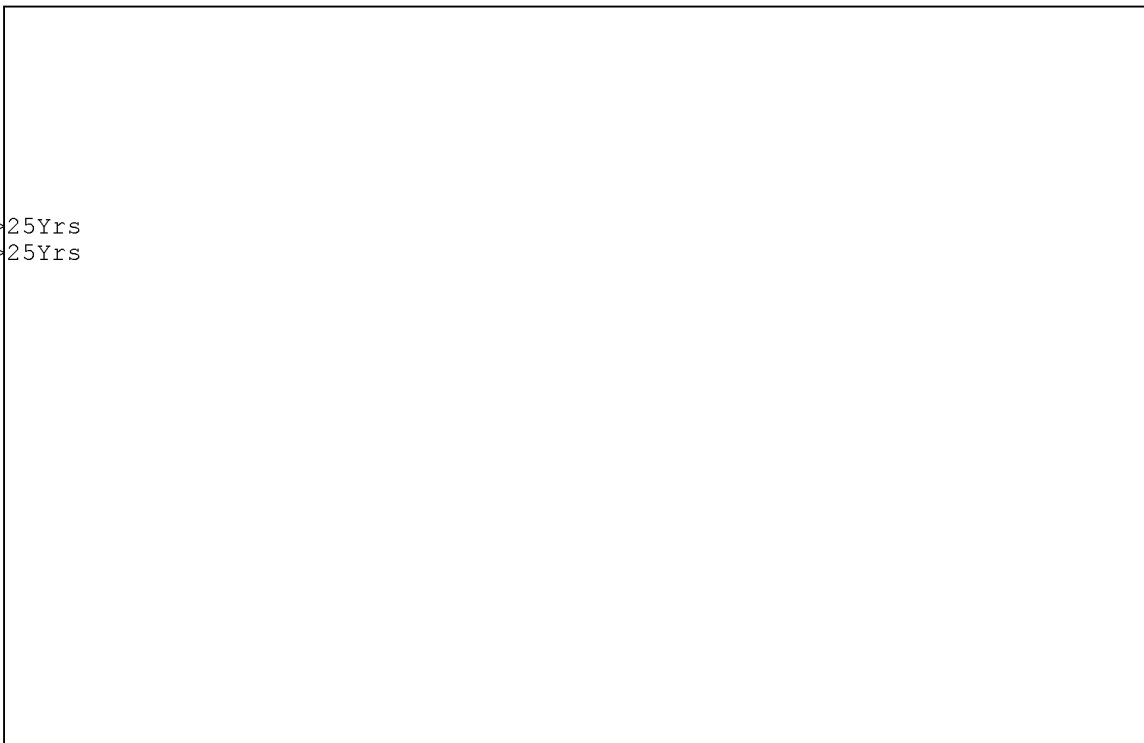
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## EASTERN EUROPE

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### 7. Hungary permits increase in private trade:

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In the latest of a series of measures to give substance to Premier Nagy's promises of a liberalized domestic policy, the Hungarian government on 8 August decreed

that approved individuals will be permitted to set up small private consumer crafts and service businesses. Local authorities will grant licenses for such concerns in areas where state enterprises and craftsmen's co-operatives are not able to fulfill consumer demands.

Comment: Hungary has gone farther than any other Orbit country except East Germany in liberalizing its internal program. The measures go beyond the current Soviet liberalization policy and are reminiscent of the USSR's New Economic Policy of the 1920's.

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The Hungarian regime has promised to cut back its industrialization program in favor of increased emphasis on agriculture and consumer goods, to permit the peasants to leave the co-operatives and to aid them in re-establishing private farms. It has also pledged to eliminate forced labor camps.

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